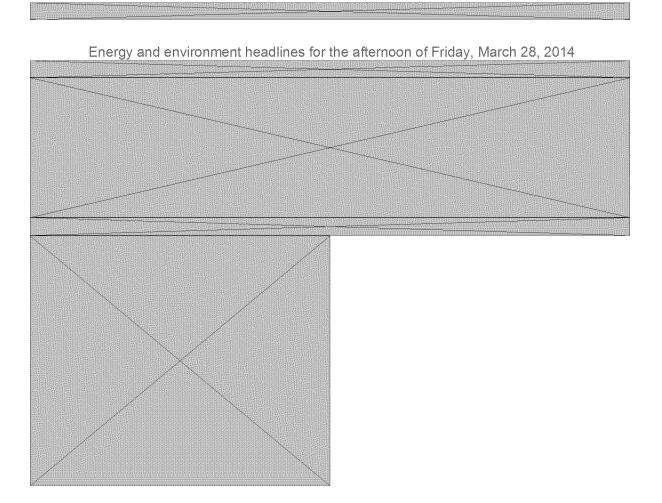
To: Kulpan, Bruce[Kulpan.Bruce@epa.gov]

From: EnergyGuardian

**Sent:** Fri 3/28/2014 10:15:09 PM

Subject: Gas boom in sights as Obama launches methane strategy

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# Gas boom in sights as Obama launches methane strategy

## By Edward Felker

President Barack Obama on Friday launched his planned blueprint to curb emissions of the potent greenhouse gas methane, which left open the option for regulating releases by the oil and gas industry for the first time.

Under the new plan, the Environmental Protection Agency will decide by this fall whether to imposing rules to limit the release of methane by the industry throughout the production

chain, with any new rules to be completed by 2016.

The industry's main trade group, the American Petroleum Institute, quickly denounced any new regulations as a threat to the oil and gas boom.

But a key green group, the Environmental Defense Fund, called on Obama to put the EPA to work to rein in methane. The group and others say cuts can be made cheaply and are needed for Obama to reach his goal of cutting overall U.S. greenhouse gas emissions 17 percent by 2020.

Methane makes up about 9 percent of the greenhouse gas emissions in the U.S. Total emissions fell about 11 percent since 1990, but are expected to increase through 2030.

Obama's plan does call for regulatory action to address other sources of methane, including one in the oil and gas sector.

The Bureau of Land Management will this year propose updated standards for oil and gas wells on public lands to reduce flaring and venting of gases. Drillers are already facing a deadline next year to capture escaping volatile organic compounds released during the hydraulic fracturing process, which will also limit methane, but that rule does not cover production or transmission losses.

Next month BLM will also begin rulemaking on the capture of methane from coal mines on public lands.

EPA is to propose by this summer updates to standards limiting methane leaks from new landfills and call for comment on a potential update of rules for existing landfills.

Agricultural methane emissions will be addressed only through voluntary steps, however. By June, EPA, the Energy Department and Agriculture Department are to release a "biogas roadmap" to reduce dairy industry emissions.

Oil and gas production is the single largest source of methane, according to EPA, at about 30 percent of all U.S. emissions, followed by livestock, at 23 percent.

Landfills account for 17 percent and coal mines for 11 percent of emissions.

The total amount of methane that could be cut remains to be determined, said Dan Utech, President Barack Obama's energy and climate change adviser, during a conference call with reporters. He pointed to a State Department estimate this year that the U.S. can cut in the range of 25-to-90 million metric tons by 2020.

With no action total U.S. methane emissions are expected to grow to 620 million metric tons by 2030. "That's a rough guide of what we might expect out of this," he said.

He said the option was left open for EPA not to regulate emissions until after taking

comment on technical papers to be released this spring, which will lead to evaluation of what can be done by states and stakeholders.

"This is a rapidly evolving space," he said.

Colorado recently adopted the nation's first methane emissions law in a deal reached between EDF and major gas producers.

An official with API, Howard Feldman, said the industry is already cutting methane emissions and that new EPA rules will be a drag on production.

"Additional regulations are not necessary and could have a chilling effect on the American energy renaissance, our economy, and our national security," he said in a statement.

The head of America's Natural Gas Alliance, Marty Durbin, for now appears more accomodating. "We appreciate that the administration has initiated a collaborative process and we look forward to being part of the solution to addressing methane emissions," he said.

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**Upcoming Events** 

## <u>Duke asks to keep records from regulators, gets</u> <u>cited over Cape Fear</u>

#### By Michael Biesecker and Mitch Weiss

CHARLOTTE, N.C. (AP) — Duke Energy is asking a North Carolina judge to shield its records from state regulators until a federal criminal investigation into the company's activities at its coal ash dumps is resolved.

According to a court document, the company told a judge that providing the requested records could hurt the integrity of the federal investigation.

Federal prosecutors in Raleigh have issued 23 subpoenas as part of a widening criminal probe triggered by the Feb. 2 spill at Duke's plant in Eden, which coated 70 miles of the Dan River in toxic sludge.

In the last month, state regulators have issued eight environmental violations against Duke because of the spill and issues at other plants.

On Friday North Carolina regulators said they've cited Duke Energy for a crack in a dam at a coal ash pit near the Cape Fear River. The state Department of Environment and Natural Resources said it had issued Duke a notice of deficiency, and called on the company to take steps to ensure the earthen dam's stability.

More

## Oil up slightly, ends week with 2 percent gain

#### By Pablo Gorondi, The Associated Press

The price of oil rose slightly Friday and finished the week with a 2 percent gain amid signs of stronger economic growth in the U.S. and global supply concerns.

Benchmark U.S. crude oil for May delivery gained 39 cents to \$101.67 a barrel on the New York Mercantile Exchange. For the week, oil rose 2.2 percent.

In other markets, Brent crude, a benchmark for international varieties of oil, was up 24 cents to \$108.07 on the ICE Futures exchange in London.

Concerns are growing in energy markets about supply from Nigeria, which produces about 2.5 million barrels of oil daily. There have been reports of sabotage at a pipeline, where leaks have forced Shell Nigeria to halt exports from its Forcados terminal since March 4.

Meanwhile, the recovery in the U.S. economy signals greater demand ahead. The Commerce Department on Thursday raised its economic growth estimate for the last quarter of 2013 to 2.6 percent from 2.4 percent, largely because of higher consumer spending.

Heading into the weekend, U.S. drivers are paying an average of \$3.54 a gallon at the pump, according to AAA. That's 11 cents higher than a week ago, but 11 cents cheaper than at this time last year.

Nion

## DOT charges industry is hampering oil train safety

### By Matthew Brown

BILLINGS, Mont. (AP) — U.S. transportation officials rebuked the oil industry Friday for not giving up information regulators say they need to gauge the danger of moving crude by rail, after several accidents highlighted the explosive properties of fuel from the booming oil shale fields on the Northern Plains.

Department of Transportation officials told The Associated Press they have received only limited data on the characteristics of oil from the Bakken region of North Dakota and Montana, despite requests lodged by Secretary Antony Foxx more than two months ago.

"The overall and ongoing lack of cooperation is disappointing, slows progress and certainly raises concerns," the agency said in a statement. "We still lack data we requested and that energy stakeholders agreed to produce within 30 days."

The DOT said "a handful of individual companies" have offered the information being sought but would not provide specifics.

Representatives from the American Petroleum Institute refuted the foot-dragging accusation. "We'd like to know what information they're not getting so we can give it to them," said API spokesman Eric Wohlschlegel.

More

## Obama meets with Saudi king, weighs new Syria aid

#### By Julie Pace

RIYADH, Saudi Arabia (AP) — The United States is considering allowing shipments of portable air defense systems to Syrian rebels, a U.S. official said Friday, as President Barack Obama sought to reassure Saudi Arabia's king that the U.S. is not taking too soft a stance in Syria and other Mideast conflicts.

The president and King Abdullah met for more than two hours at the aging monarch's desert oasis outside the capital city of Riyadh. Obama advisers said the two leaders spoke frankly about their differences on key issues, with the president assuring the king that he remains committed to the Gulf region's security.

Beyond Syria, one of the king's biggest concerns has been the U.S.-led nuclear negotiations with Iran. The Saudis fear Iran's nuclear program, object to Iran's backing of the Assad government and see Tehran as having designs on oil fields in Saudi Arabia and Bahrain.

Officials said the nuclear negotiations were a primary topic of Friday's meeting, with Obama assuring the king that the U.S. was not glossing over Tehran's other provocations in order to get a final deal.

Morr

## Feds close investigation of Tesla battery fires

## By The Associated Press

DETROIT (AP) — The U.S. government's auto safety watchdog has closed an investigation into Tesla electric car battery fires after the company said it would install more shields beneath the cars.

The shields, an aluminum bar, a titanium plate and another piece of aluminum, will supplement a quarter-inch-thick aluminum plate now on the Model S, the only model that Tesla now sells. They're designed to stop road debris from penetrating the car's battery pack.

The National Highway Traffic Safety Administration began investigating the Model S last year after two battery fires that were caused by road debris. In each case, one near Nashville, Tennessee, and another near Seattle, debris punctured the aluminum shield and the battery,

touching off fires. Drivers were able to safely pull off the road and escape without injury, but the cars were destroyed.

Tesla CEO Elon Musk said in a statement Friday that the company will retrofit Model S cars sold in the U.S. with the new shields, at no cost to owners. At the end of February, Tesla had sold about 22,000 of the cars in the U.S., according to Autodata Corp. The additional shields will be provided upon owner request or as part of normally scheduled service, the statement said.

The move is not a recall, a Tesla spokeswoman said.

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## A message from America's Natural Gas Alliance

Delivering more with natural gas. With their growing fleet of natural gas vehicles, UPS is reducing emissions in communities they serve. Think about it.

Learn more at www.thinkaboutit.org.

## Wildlife rescue ongoing in Ohio oil spill cleanup

### By Lisa Cornwell

CINCINNATI (AP) — Officials are hoping that as crews move through the next stage of cleanup of thousands of gallons of pipeline oil that leaked into a nature preserve the threat to wildlife will end.

Crews are winding down the initial emergency response, which focused on removing the heaviest concentrations of oil in the Oak Glen Nature Preserve, west of Cincinnati. Federal officials estimate more than 20,000 gallons spilled into the preserve from the leak, discovered nearly two weeks ago.

No problems have been detected with air quality or area water wells, but an official with the Great Parks of Hamilton County, which owns the preserve, said at least 20 animals including salamanders, frogs and crayfish had died. More than 40 animals had been taken from the preserve to be cleaned and cared for until they could be returned to the wild.

Parks stewardship manager Bob Mason said at least 14 rescued creatures had been released into the Miami Whitewater Forest. A fence was installed around an oil-contaminated intermittent stream to prevent wildlife from entering it, and wildlife crews patrolling the area hope to be able to end the rescue effort soon.

## Judge eases ruling on Pa. anti-fracking activist

#### By Michael Rubinkam, Associated Press

A northeastern Pennsylvania judge has loosened restrictions on an anti-fracking activist who had been barred from stepping foot on more than 300 square miles of land owned or leased by a natural gas driller.

Vera Scroggins, 63, who is known for leading bus tours of the Marcellus Shale gas field and posting videos of drilling operations online, had argued the order prevented her from traveling to her favorite grocery store, eye doctor, hospital, restaurants and other places that leased land to Cabot Oil & Gas Corp.

The company has said it only wanted to keep her from its active work sites.

Susquehanna Judge Kenneth Seamans ruled Thursday that Scroggins must continue to stay away from a dozen properties owned by Cabot as well as from active drilling sites, producing gas wells and access roads. The judge's previous order barred Scroggins from any land owned or leased by Cabot - a region composing 40 percent of the county's land mass.

"This is a big step in the right direction," Scroggins, of Brackney, said Friday. "I am much better off today than I was yesterday in terms of where I can go."

More

## Obama methane plan takes voluntary approach with livestock

The Obama administration's plan to curb methane emissions does take livestock into account, but relies on voluntary measures described by a milk industry spokesman as more "carrots as opposed to sticks," The Wall Street Journal reports.

Marc

## Russia sanctions: US stops exporting detonators used in oil, gas industry

In response to the annexation of Crimea, U.S. agencies have stopped licensing exports of defense-related goods to Russia, which includes detonators, widely used in the oil and gas industry, Bloomberg reports.

Mom

## Ethanol prices hit levels not seen in nearly 8 years

Rail transportation problems mean ethanol supply is failing to keep pace with demand and prices are soaring, in Chicago Friday midday prices jumped nearly 5 percent to \$3.158 a gallon, an intraday high not seen since July, 2006, Bloomberg reports.

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## McCarthy to ACORE: EPA backs renewables' innovation, job creation

Speaking to a conference sponsored by the American Council on Renewable Energy, EPA Administrator Gina McCarthy said Friday that her agency will use its regulatory power to support innovation in the sector, and boost its capacity to create jobs, Talk Radio News Service reports.

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#### Texas wind power generates record 10,000 MW

Wednesday night saw Texas hit a new mark in generating wind power -- 10,000 megawatts -- which experts attribute to the new western transmission lines completed at a cost of \$7 billion last December, FuelFix reports.

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## Panasonic chief sees big risk in Musk's giant battery factory

Panasonic, which supplies most of the lithium-ion cells for Tesla's batteries, hasn't committed yet to Elon Musk's plans for a huge 'gigafactory' to make more of them, and President Kazuhiro Tsuga told reporters the project represents a big investment risk, Bloomberg reports.

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## Charleston residents avoid using water nearly 3 months after spill

National Journal has been following a family in Charleston, W.Va. in the wake of a chemical spill that contaminated the town's water supply on Jan. 9, who are among many residents still refusing to use tap water.

More

## Global Partners fined for moving too much crude through Oregon terminal

The Oregon Department of Environmental Quality has slapped a fine of more than \$117,000 on Global Partners LP, the operator of a terminal that's been moving six times more crude than allowed under its permit, but The Oregonian reports the DEQ hasn't taken steps to stop

the oil trains bringing the Bakken Shale crude into the state.

Morra

#### Memories of Three Mile Island 35 years on, waste remains

Residents of nearby communities have vivid memories of the 1979 crisis at Three Mile Island, the worst nuclear plant accident in U.S. history, with waste at Unit 2 to remain for decades and cleanup costs estimated at \$900 million, Lancaster Online reports.

Morr

## GOP wants NOAA to spend less time researching climate change

The Republican-controlled House could vote as early as Tuesday on a measure sponsored by Rep. Jim Bridenstine, R-Okla., which would instruct the National Oceanic and Atmospheric Administration to prioritize predicting storms rather than researching climate change, The Hill reports.

Morr

#### Cruz introduces bill to free energy sector from federal oversight

Sen. Ted Cruz, R-Texas, has introduced broad "energy renaissance" legislation to block the Environmental Protection Agency from regulating greenhouse gas emissions, approve the Keystone XL pipeline and open Alaska to more energy development, among other provisions, the Houston Chronicle reports.

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## **Upcoming Events**

- Mar. 28, Washington: American Council On Renewable Energy holds Renewable Energy Policy Forum. EPA Administrator Gina McCarthy to deliver 11:15 am keynote, Energy Secretary Ernest Moniz to deliver 3:45 pm keynote. 8:00 am, Russell 325.
- Mar. 28, Washington: University of Michigan Public-Private Stakeholders Symposium forum, "Shale Gas: A Game Changer for American Manufacturing." Speakers include White House Office of Science and Technology Associate Director of Technology and Innovation Policy Thomas Kalil, Energy Department Director of Energy Policy Melanie Kenderdine. 8:00 am, National Press Club.

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